

TIPP CITY COUNCIL STUDY SESSION

TIPP CITY, MIAMI COUNTY, OHIO

JANUARY 16, 2007

Study Session

City Manager David A. Collinsworth opened the Study Session at 6:33 p.m. on this date.

Roll Call

Council Members in attendance included: President William D. Beagle, Vickie K. Blakey, Rick Mains, Jr., Tim Evans, Mayor George H. Lovett, Donald H. Ochs, and Patrick Hale.

Others in attendance included: Assistant City Manager Bradley C. Vath, Utility Billing Supervisor Stacie Brown, Utilities Director M. J. Eichman, Assistant Utilities Director Christy Butera, Finance Director Richard Drennen, Scott Wiegand, John Courtney, *Dayton Daily News* reporter Nancy Bowman, and Clerk of Council Misty Cheshire.

Discussion –
Electric Rate Study

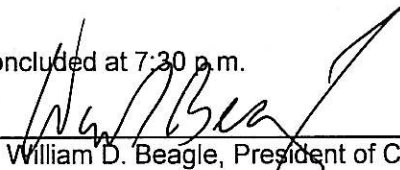
John Courtney from Courtney and Associates used the attached PowerPoint presentation to review and analyze Tipp City's electric rates and cost of service. Mr. Courtney determined that Tipp City's current rates were not sufficient and would need to be increased by 15% over the next three years in order to meet the projected 2009 revenue requirements.

Mr. Ochs asked how often the electric rates should be reviewed. Mr. Courtney stated that it was a good idea to review the revenue requirements annually. He stated that anytime a major change in power supply makeup occurs or if the City loses or adds a large customer the rates should be studied.

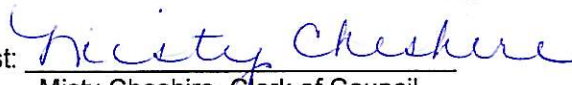
Council agreed to move forward with the rate increase. Staff acknowledged that an ordinance would be drafted for the next City Council meeting.

Adjournment

The study session concluded at 7:30 p.m.


William D. Beagle, President of Council

Attest:


Misty Cheshire, Clerk of Council

Tipp City, Ohio

ELECTRIC RATE AND COST OF SERVICE ANALYSIS

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SCOPE OF SERVICES

- Data Acquisition/Verification
- Projected Revenue Requirements Analysis
- "Unbundled" Cost of Service Analysis
- Rate Review/Design

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DATA ACQUISITION/VERIFICATION

- Identify Availability of Information
- Prepare and Submit Data Request
- Review Information and Data Provided
 - Billing Statistics
 - Operational Data
 - Financial Statements/Reports
- Verify the Accuracy of the Information Provided
- Data Provided was Accurate and Consistent

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PROJECTED REVENUE REQUIREMENTS ANALYSIS

1. Project Energy Sales
2. Project Power Supply Requirements and Costs
3. Project Revenues at Current Rates
4. Project Revenue Requirements
5. Determine Overall Revenue Adjustment

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1. Project Energy Sales

- Separate Sales by Rate Class
- Normalize Historical Data
- Determine Growth Rates
- Project Sales by Rate Class

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SALES GROWTH RATES

Residential-Inside	1.0%
Residential-Outside	1.0%
General Service-Inside	1.0%
General Service-Outside	1.0%
Large Power	0.0%

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PROJECTED ENERGY SALES (kWh)

Rate Class	2007	2008	2009
Residential-Inside	45,437,800	45,892,100	46,351,100
Residential-Outside	2,187,700	2,209,500	2,231,600
General Service-Inside	24,634,100	24,880,400	25,129,200
General Service-Outside	629,100	635,400	641,800
Large Power	68,160,000	68,160,000	68,160,000
Totals	141,048,700	141,777,400	142,513,700

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2. Project Power Supply Requirements and Costs

- Energy Requirements = Energy Sales + Losses
 - Unbilled Losses ≈ 10%
- Includes Projected Cost for All Power Supply Resources, as Provided by AMP-Ohio
 - RHGS (4%)
 - NYPA (3%)
 - Landfill Gas (6%)
 - WASG Pool (87%)

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PROJECTED POWER SUPPLY REQUIREMENTS & COSTS

Year	kWh(1)	Amount	\$/kWh
2007	156,720,700	\$ 5,834,700	\$ 0.0372
2008	157,530,600	\$ 5,864,900	\$ 0.0372
2009	158,392,200	\$ 5,895,300	\$ 0.0372

(1) Includes unbilled losses of 10%.

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3. Project Revenues at Current Rates

- Project Average Revenues by Rate Class(1)

Residential-Inside	- \$ 0.0697/kWh
Residential-Outside	- \$ 0.0727/kWh
General Service-Inside	- \$ 0.0651/kWh
General Service-Outside	- \$ 0.0704/kWh
Large Power	- \$ 0.0514/kWh

- Multiply Energy Sales by Average Revenues

(1) Includes Power Cost Adjustment = \$0.00369 per kWh.

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PROJECTED REVENUES AT CURRENT RATES

	kWh	\$/kWh	Amount
Residential-Inside	46,351,100	\$ 0.0697	\$ 3,230,400
Residential-Outside	2,231,600	0.0727	162,200
General Service-Inside	25,129,200	0.0651	1,635,000
General Service-Outside	641,800	0.0704	45,200
Large Power	68,160,000	0.0514	3,506,600
Totals	142,513,700	\$ 0.0602	\$ 8,579,400

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4. Project Revenue Requirements

- Normalize Historical Data
- Projected Power Supply Costs Based on Projected Sales
- Anticipated Changes in Operation
- Inflation (3% per year)

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4. Project Revenue Requirements (Cont.)

- Debt Service
 - Existing
 - Future
- Other Income Credits
 - Extension Fees
 - Miscellaneous

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PROJECTED REVENUE REQUIREMENTS

	2007	2008	2009
Purchased Power	\$ 5,834,700	\$ 5,864,900	\$ 5,895,300
Other O&M	2,502,900	2,563,900	2,626,800
Debt Service Existing	80,100	77,600	75,100
Debt Service Future(1)	0	0	401,500
Capital Outlay	927,000	954,800	983,500
Extension Fees	(80,000)	(80,000)	(80,000)
Other Income	(42,100)	(42,100)	(42,100)
Net Revenue Req.	\$ 9,222,600	\$ 9,339,100	\$ 9,860,100

(1) Estimated Debt Service for New Service Center and Substation #4 Improvements.

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5. Determine Overall Revenue Adjustment

- Compare Projected Revenue Requirements to Projected Revenues at Current Rates

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DETERMINATION OF OVERALL REVENUE ADJUSTMENT

	Revenue Requirements	Revenues at Current Rates	Revenue Adjustment* Amount	%
2007	\$ 9,222,600	\$ 8,484,300	\$ 738,300	8.7%
2008	9,339,100	8,534,100	805,000	9.4%
2009	9,860,100	8,584,300	1,275,800	14.9%

* Reflects the Cumulative Revenue Increase required to Meet the Projected revenue Requirements.

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CONCLUSIONS

- Projected Revenues at Current Rates are Not Sufficient to Meet the Projected Revenue Requirements.
- Revenues Need to be Increased by Approximately 15% in Order to Meet the Projected 2009 Revenue Requirements.

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RECOMMENDATIONS

- Increase Revenues Overall by Approximately 15% In Order to Meet the Projected 2009 Revenue Requirements
- Phase-In the Recommended Adjustment by Increasing Revenues Approximately 5% Each Year, Over the Next 3 Years.

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FUNCTIONALIZED "UNBUNDLED" COST OF SERVICE ANALYSIS

1. Functionalization of Revenue Requirements
2. "Unbundled" Cost of Service Analysis
3. Unit Cost of Service
4. Cost of Service Results

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FUNCTIONALIZATION OF REVENUE REQUIREMENTS

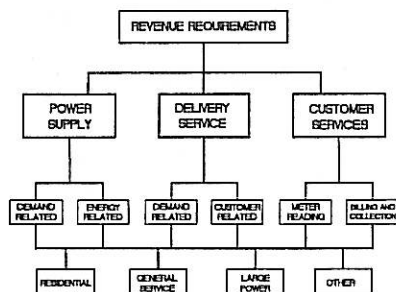
- Test Year Revenue Requirements
 - 2009 Test Year
- Categorize Costs by Function
 - Power Supply (Demand/Energy)
 - Delivery Service (Demand/Customer)
 - Consumer Services (Meter Reading/Billing)

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'UNBUNDLED' COST OF SERVICE ANALYSIS



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UNIT COST OF SERVICE

- Power Supply - Demand - \$ 3.88 / Generation kW-Mo.
- Power Supply - Energy - \$ 0.0282 / Generation kWh
- Delivery Service - Demand - \$ 6.17 / Delivered kW-Mo.
- Delivery Service - Customer - \$ 13.49 / Wt. Customer/Mo.
- Consumer Service - Meter reading - \$ 1.20 / Wt. Meter/Mo.
- Consumer Service - Billing - \$ 2.80 / Customer/Mo.

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COST OF SERVICE RESULTS

Rate Class	Revenue @ Current Rates	Cost of Service Results	Increase Required	
			\$	%
Residential-Inside	\$ 3,320,400	\$ 3,675,400	\$ 355,000	10.7%
Residential-Outside	162,200	188,800	26,600	16.4%
General Service-Inside	1,635,000	2,075,800	440,800	27.8%
General Service-Outside	45,200	63,000	17,800	39.4%
Large Power	3,506,600	3,851,000	344,400	9.8%
Totals	\$ 8,579,400	\$ 9,854,000	\$ 1,274,600	14.9%

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CONCLUSIONS

- Large Power Class is Subsidizing the General Service Class
- Residential Customers Should Receive an Increase Equal to the Overall Increase
- General Service Customers Should Receive a Greater Increase than the Overall Increase.
- Large Power Customers Should Receive a Lesser Increase than the Overall Increase.
- To the Extent Practicable, New Rates Should Move Towards the Cost of Service Results.

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RECOMMENDATIONS

- Develop and Adopt Rates Which Move the Revenue Distribution Towards the Cost of Service Results.
- Proposed Revenue Increase by Class

Residential	(5%, 5%, 5%)
General Service	(9%, 9%, 9%)
Large Power	(3%, 3%, 3%)

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RATE REVIEW/DESIGN

- Review Current Rates and Rate Structures
- Identify Rate Design Issues
- Develop New Rates Based On Cost of Service Results and Proposed Revenue Adjustment
- Compare Current and Proposed Rates and Rates of Adjacent Utilities

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RESIDENTIAL

Description	Inside	Outside
• Customer Charge: Per Month	\$ 4.00	\$ 6.00
• Energy Charge: (Per kWh) All kWh @	\$ 0.0620	\$ 0.0630
• Power Cost Adjustment All kWh @	\$ 0.00369	\$ 0.00369

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GENERAL SERVICE

Description	Inside	Outside
• Customer Charge: (Per Month)		
Single Phase	\$ 6.00	\$ 6.00
Three Phase	10.00	10.00
• Demand Charge:		
Single Phase (Per kWh)	\$ 0.025	\$ 0.025
Three Phase (Per kW)	5.00	5.00
• Energy Charge: (Per kWh)		
First 500 kWh @	\$ 0.0540	\$ 0.0550
Over 500 kWh @	0.0400	0.0410
• Power Cost Adjustment All kWh @	\$ 0.00369	\$ 0.00369

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LARGE POWER

Description	Inside	Outside
• Customer Charge: Per Month	\$ 100.00	\$ 100.00
• Demand Charge: (Per kVa) All kVa @	\$ 8.00	\$ 8.00
• Energy Charge: (Per kWh) All kWh @	\$ 0.0290	\$ 0.0300
• Power Cost Adjustment All kWh @	\$ 0.00369	\$ 0.00369

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POWER COST ADJUSTMENT

- Currently Based on 6 Months Projected Power Supply Cost Plus a Reconciliation Factor for Prior 6 Months
- Base Power Supply Cost = \$0.03768 per kWh Sold
- Current Power Cost Adjustment Reflects Projected Power Supply Costs
- Modify the PCA to Reflect the Rolling 6 Month's Actual Power Supply Costs

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RATE DESIGN ISSUES

- Inside/Outside Differential Should be Maintained
- Current Demand Charges do not Reflect the Cost of Providing Service
- kVa Demand Charges Should be Separated Into kW and RkW Charges
- Power Cost Adjustment Needs to be Modified to Reflect Actual Purchased Power Supply Costs

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PROPOSED RATES RESIDENTIAL - INSIDE

Description	Step 1	Step 2	Step3
• Customer Charge: Per Month	\$ 4.00	\$ 4.00	\$ 4.00
• Energy Charge: (Per kWh) All kWh @	\$ 0.0690	\$ 0.0725	\$ 0.0760
• Power Cost Adjustment All kWh @	\$ 0.0000	\$ 0.0000	\$ 0.0000

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PROPOSED RATES RESIDENTIAL - OUTSIDE

Description	Step 1	Step 2	Step3
• Customer Charge: Per Month	\$ 6.00	\$ 6.00	\$ 6.00
• Energy Charge: (Per kWh) All kWh @	\$ 0.0700	\$ 0.0735	\$ 0.0770
• Power Cost Adjustment All kWh @	\$ 0.0000	\$ 0.0000	\$ 0.0000

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PROPOSED RATES GENERAL SERVICE - INSIDE

Description	Step 1	Step 2	Step3
• Customer Charge: (Per Month)			
Single Phase	\$ 6.00	\$ 6.00	\$ 6.00
Three Phase	10.00	10.00	10.00
• Demand Charge:			
Single Phase (Per kWh)	\$ 0.0275	\$ 0.0300	\$ 0.0325
Three Phase (Per kW)	5.50	6.00	6.50
• Energy Charge: (Per kWh) All kWh @	\$ 0.0480	\$ 0.0520	\$ 0.0560
• Power Cost Adjustment All kWh @	\$ 0.0000	\$ 0.0000	\$ 0.0000

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PROPOSED RATES GENERAL SERVICE - OUTSIDE

Description	Step 1	Step 2	Step3
• Customer Charge: (Per Month)			
Single Phase	\$ 6.00	\$ 6.00	\$ 6.00
Three Phase	10.00	10.00	10.00
• Demand Charge:			
Single Phase (Per kWh)	\$ 0.0275	\$ 0.0300	\$ 0.0325
Three Phase (Per kW)	5.50	6.00	6.50
• Energy Charge: (Per kWh) All kWh @	\$ 0.0490	\$ 0.0530	\$ 0.0570
• Power Cost Adjustment All kWh @	\$ 0.0000	\$ 0.0000	\$ 0.0000

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PROPOSED RATES LARGE POWER - INSIDE

Description	Step 1	Step 2	Step3
• Customer Charge: Per Month	\$ 100.00	\$ 100.00	\$ 100.00
• Demand Charge: (Per kW)			
All kW @	\$ 8.50	\$ 9.00	\$ 9.50
All RkW @	0.50	0.50	0.50
• Energy Charge: (Per kWh) All kWh @	\$ 0.0345	\$ 0.0350	\$ 0.0355
• Power Cost Adjustment All kWh @	\$ 0.0000	\$ 0.0000	\$ 0.0000

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PROPOSED RATES LARGE POWER - OUTSIDE

Description	Step 1	Step 2	Step 3
• Customer Charge: Per Month	\$ 100.00	\$ 100.00	\$ 100.00
• Demand Charge: (Per kW)			
All kW @	\$ 8.50	\$ 9.00	\$ 9.50
All RkW @	0.50	0.50	0.50
• Energy Charge: (Per kWh)			
All kWh @	\$ 0.0355	\$ 0.0360	\$ 0.0365
• Power Cost Adjustment			
All kWh @	\$ 0.0000	\$ 0.0000	\$ 0.0000

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TYPICAL BILL COMPARISON

Description	Existing	Step 1	Step 2	Step 3
Residential - Inside 1,000 kWh	\$ 69.69	73.00	\$ 76.50	\$ 80.00
General Service - Inside (Single Phase) 2,500 kWh	184.73	194.75	211.00	227.25
General Service - Inside (Three Phase) 50 kW/15,000 kWh	922.35	1,005.00	1,090.00	1,175.00
Large Power - Inside (Secondary) (1) 250 kW/100,000 kWh	5,721.94	5,752.50	5,927.50	6,102.50
Large Power - Inside (Primary) (2) 1,000 kW/500,000 kWh	24,497.63	25,664.50	26,414.50	27,164.50

(1) Reflects a Power Factor of 85%

(2) Reflects a Power Factor of 95%

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RECOMMENDATIONS

- Adopt the Proposed Rate and Power Supply Cost Adjustment Modifications
- Review Rates Periodically and Adjust as Needed.

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TIPP CITY COUNCIL MEETING

TIPP CITY, MIAMI COUNTY, OHIO

JANUARY 16, 2007

Roll Call

President William D. Beagle called to order the regular meeting of the Tipp City Council at 7:34 p.m. Roll call showed the following Council Members present: Rick Mains, Jr., Vickie K. Blakey, Donald H. Ochs, William D. Beagle, Mayor George H. Lovett, Tim Evans, and Patrick Hale.

In attendance: City Manager David A. Collinsworth, Law Director Joseph P. Moore, Finance Director Richard Drennen, Utilities Director M. J. Eichman, City Engineer/Service Director Scott Vagedes, Assistant City Manager Bradley C. Vath, *Dayton Daily News* reporter Nancy Bowman, *Tipp Herald* reporter Mike Kelly, *Independent Voice* reporter Matt Bayman, and Clerk of Council Misty Cheshire.

Citizens signing the register included: Don and Gayle Wright, Devonne Daniel, Michael McFarland, Mark G. Lee, Judy Lee, Doris Dodd, Brad Warkentine, James Corn, Jake Roberts, Donald L. Rhoads, Paul Lee, Carl Owen, Joseph Kourne, Joe Bagi, and Dave Burig.

Invocation and Pledge of Allegiance

Mayor Lovett delivered the invocation. President Beagle led the Pledge of Allegiance.

Adoption of Minutes

Mayor Lovett, seconded by Mr. Hale, moved to adopt the minutes of the January 2, 2007 City Council Meeting. The motion carried 7-0.

Mr. Ochs moved to adopt the minutes of the January 2, 2007 Study Session, seconded by Mr. Evans. The minutes were unanimously adopted.

Ordinances
(Second Reading and Public Hearing)

The following ordinances were presented to City Council for second reading and public hearing.

Ordinance 01-07
Captor Corporation
Rezoning

Ordinance 01-07: An ordinance to amend the zoning code and the map attached thereto by changing the zoning of \pm 3.794 acres (Inlots 4046, 4047, & 4048) located at 5040 South County Road 25A from Interim Light Industrial (I-1) to Light Industrial (I-1) zoning classification.

Clerk of Council Summary: The Planning Board reviewed and recommended a permanent zoning designation of Light Industrial (I-1) for the Captor Corporation properties recently annexed into Tipp City.

City Manager Report: Mr. Collinsworth stated that this property was annexed into Tipp City in 2006 and is located at 5040 South County Road 25A, just south of Kerr Road on the west side of County Road 25A. Upon annexation, this property was given an interim zoning of I-1, Light Industrial.

President Beagle opened the public hearing and the Law Director swore in those wishing to testify during the public hearing.

Ordinance 02-07
DCWI Rezoning
± 9.996 acres

There being no testimony, President Beagle declared the public hearing closed.

There being no additional comments, Mrs. Blakey sponsored this ordinance and moved for its adoption, seconded by Mr. Mains. The motion unanimously carried. Ordinance 01-07 was declared passed and President Beagle affixed his signature in witness thereto.

Ordinance 02-07: An ordinance to amend the zoning code and the map attached thereto by changing the zoning of ± 9.9996 acres being Inlot 2148 from Multi-Family Residential (R-3) to Highway Service (HS) zoning district.

Clerk of Council Summary: The Planning Board reviewed and recommended a zoning designation change to Highway Service (HS) for the Don Wright property adjacent to I-75.

City Manager Report: This rezoning request was submitted by Don Wright Realty d/b/a DCWI – Tipp City, LLC. The parcel in question, Inlot 2148, is located adjacent to I-75, east of Chestnut Drive, and north of the future extension of Weller Drive.

President Beagle opened the public hearing and the Law Director swore in those wishing to testify.

Mark Lee of Menards, Inc. stated that they were a family owned home improvement retailer based in Wisconsin. He asked if anyone had questions about their business.

Mayor Lovett asked why Menards selected Tipp City as a location to open a new store. Mr. Lee stated that Tipp City's location along I-75 and St. Rt. 571 would draw customers from around the region.

President Beagle asked Mr. Lee to discuss the time table for the development. Mr. Lee estimated that it would take several months to complete traffic studies. He predicted that the real estate closing would occur in 2007 with construction beginning in 2008.

President Beagle referenced a map Mr. Lee brought to the meeting. He asked Mr. Lee if he would like to point anything out on the map. Mr. Lee stated that the map was helpful in identifying the rezoning needs of Menards. He anticipated that Menards would draw new businesses into the community.

Mayor Lovett asked Mr. Lee to identify some of the businesses that may follow Menards to Tipp City. Mr. Lee responded that fast food and sit down restaurants could be attracted to the location. As well as pharmacies, discount stores, pet stores, or other business that would fit in a typical shopping center. Mr. Lee noted that Menards discouraged and would not permit night clubs on their property.

Mr. Hale asked if the surrounding businesses would stand alone or be included in a strip shopping center. Mr. Lee stated that a portion of the site would lend itself to a strip shopping center as well as stand alone businesses.

Mr. Evans noted that Menards was also located in Sidney and Marion in Ohio. He asked if Menards intentionally located in smaller communities rather than major metropolitan centers. Mr. Lee stated that Menards builds 15 to 20 stores per year and locating to one large metropolitan area would require a lot of energy to be focused on that one area. He noted that Menards has mostly pursued one store markets in county seats rather than pursuing development in large metro areas.

President Beagle noted that the issue before City Council at this time was merely the zoning of the property not the site plan review.

Mayor Lovett moved to close the public hearing, seconded by Mr. Evans. The motion carried with a vote of 7-0. There being no additional comments, Mr. Mains sponsored this ordinance and moved for its adoption, seconded by President Beagle. The motion unanimously carried. Ordinance 02-07 was declared passed and President Beagle affixed his signature in witness thereto.

Ordinance 03-07
DCWI Rezoning
± 18.324 acres

Ordinance 03-07: An ordinance to amend the zoning code and the map attached thereto by changing the zoning of ± 18.345 acres located on part of Inlot 2135 from Office Service (OS) to a Highway Service (HS) zoning district.

Clerk of Council Summary: The Planning Board reviewed and recommended a zoning designation change to Highway Service (HS) for the Don Wright property south of Larch Street.

City Manager Report: This rezoning request was also submitted by Don Wright Realty. This parcel is located south of the southern terminus of Larch Street and west of Weller Drive and east of the terminus of Harmony Drive.

President Beagle opened the public hearing and the Law Director swore in those wishing to testify. No comments were made. Mr. Ochs moved to close the public hearing, seconded by Mayor Lovett. The motion carried with a vote of 7-0.

Mr. Evans encouraged individuals with concerns relating to the site plan of Menards to attend site plan review meetings.

Mr. Ochs asked if the extension to Larch Street would be abandoned. Mr. Collinsworth stated that Larch Street would be extended, however, if the road had been abandoned a replat would be required.

President Beagle stated that while reading the Planning Board's comments, he agreed, that efforts should be made not to deviate from the comprehensive plan and this development would be a move in the right direction for these parcels.

There being no additional comments, Mr. Hale sponsored this ordinance and moved for its adoption, seconded by Mr. Evans. The motion unanimously carried. Ordinance 03-07 was declared passed and President Beagle affixed his signature in witness thereto.

**Resolutions
(One Reading
Required)**

Resolution 01-07
Notice of Intent, Main
St. ROW Appropriation

The following resolutions were presented to City Council for adoption.

Resolution 01-07: A resolution declaring the intent of the Municipality of Tipp City, Ohio to appropriate certain property inside the corporation limits.

Clerk of Council Summary: This resolution expresses the intent of the City to obtain certain property within the Corporation Limits by eminent domain for the completion of the Main Street Streetscape Phase II Project. The properties subject to this legislation are situated between Tippecanoe and Hyatt Street.

City Manager Report: In order to accomplish the Main Street Streetscape Phase II project the City needs to acquire some temporary and permanent right-of-ways along Main Street. Mr. Collinsworth noted that DLZ, Inc. had been working with property owners in this corridor attempting to negotiate the right-of-way purchases. Currently 17 out of 45 property owners have not signed an agreement and therefore all 17 must be included in the appropriation process until the City has a signed agreement, even though it is believed that a majority of them are ultimately not contesting the appraised value offered or negotiated. This ordinance is the first step in the taking process.

There being no further discussion, Mrs. Blakey sponsored this resolution and moved for its adoption, seconded by Mr. Ochs. The motion unanimously carried. Resolution 01-07 was declared passed and President Beagle affixed his signature in witness thereto.

Resolution 02-07
Recreational Trails
Grant

Resolution 02-07: A resolution authorizing the City Manager to file a grant application and enter into an agreement with the Ohio Department of Natural Resources (ODNR) for constructing a recreational trail within the corporate limits of Tipp City.

Clerk of Council Summary: This resolution authorizes the filing of an application for grant funding in the amount of \$225,000 from the Ohio Department of Natural Resources (ODNR) for the construction of a multi-use recreational trail within Kyle Park.

City Manager Report: A change in the original routing of the bike path through Kyle Park has been recommended. Mr. Collinsworth noted that the change in routing, along with a substantial increase in the base project cost, has increased the City's cost share from \$15,048 to \$270,000. This resolution would allow the City to seek grant funds from the Ohio Department of Natural Resources in the amount of \$225,000.

Mrs. Blakey asked if the Township had determined where they would come up with extra funds for their section of the project. Mr. Vagedes stated that the Miami County Park District would sponsor Monroe Township's funding for the grant. Mr. Vagedes stated that they were hoping to reduce the design parameters of the project. At this stage, he did not think there were sufficient funds to build the entire section based upon the latest cost estimates. Mr. Vagedes hoped that a majority of the trail could be built to make the connection to Tipp Canal Road.

Resolution 03-07
Dog Park Grant

There being no further discussion, Mrs. Blakey sponsored this resolution and moved for its adoption, seconded by Mr. Ochs. The motion unanimously carried. Resolution 02-07 was declared passed and President Beagle affixed his signature in witness thereto.

Resolution 03-07: A resolution authorizing the City Manager to file a grant application and enter into an agreement with the Ohio Department of Natural Resources (ODNR) for constructing a dog park in Kyle Park.

Clerk of Council Summary: This resolution authorizes the filing of an application for grant funding in the amount of \$40,000 from the Ohio Department of Natural Resources (ODNR) for the construction of a Dog Park within Kyle Park.

City Manager Report: The total project cost has been estimated at about \$66,500, of which \$12,500 has been received in donations and Park Levy funds.

There being no further discussion, Mayor Lovett sponsored this resolution and moved for its adoption, seconded by Mrs. Blakey. The motion unanimously carried. Resolution 03-07 was declared passed and President Beagle affixed his signature in witness thereto.

Resolution 04-07
N. Hyatt Street
Reconstruction Design

Resolution 04-07: A resolution authorizing the City Manager to enter into an agreement with Choice One Engineering Corporation of Sidney, Ohio for the engineering design for the N. Hyatt Street Reconstruction Project, Phase 2 in the amount of \$35,058.

Clerk of Council Summary: Five proposals were received with Choice One Engineering Corporation providing the lowest and best proposal. Staff recommends the selection of Choice One as they have performed engineering design and construction services for numerous public works projects in the City in the past.

City Manager Report: Staff recommended the engineering design services for the N. Hyatt Street reconstruction project be awarded to Choice One Engineering. Of the five proposals received, Choice One Engineering submitted the lowest and best bid. Mr. Collinsworth stated that Choice One recently performed engineering design and construction administration services for the City and is currently the design engineer for Phase II of the Main Street Streetscape project. Staff was extremely satisfied with their quality of work and recommended the contract be awarded to Choice One Engineering.

There being no further discussion, Mr. Ochs sponsored this resolution and moved for its adoption, seconded by Mrs. Blakey. The motion unanimously carried. Resolution 01-07 was declared passed and President Beagle affixed his signature in witness thereto.

**Ordinances
(First Reading)**

Zoning Code Text
Amendment -Planning
Board Duties

The following ordinances were presented to City Council for first reading.

President Beagle sponsored an ordinance amending Sections 154.199 of the Tipp City, Ohio Code of Ordinances to augment the responsibilities and duties of the Planning Board.

Zoning Code Text
Amendment – Building
Material Sales Yards

Clerk of Council Summary: This ordinance clarifies the duties and responsibilities of the Planning Board to include site plan reviews and approvals, as well as the ability to assign specifications and/or conditions to such plan.

City Manager Report: During the January 2nd City Council Study Session, staff discussed the need to amend the zoning code to include more specific language pertaining to the duties and responsibilities of the Planning Board. Mr. Collinsworth noted that the proposed amendment was reviewed by the Law Director and Planning Board.

Mr. Evans sponsored an ordinance amending Sections 154.122(B)(9) of the Tipp City, Ohio Code of Ordinances to augment the special use requirements for building materials sales yards.

Clerk of Council Summary: This ordinance would amend the zoning code's Special Use requirements for building material sales yards, to modify thoroughfare access provisions.

City Manager Report: Mr. Collinsworth stated that this amendment pertained to the thoroughfare access requirements for building material sales yards. This amendment would broaden the requirements for a building material sales yard to have immediate access to a major thoroughfare.

Annexation 23.2 ac.
Floodplain/Prairie

Mr. Ochs sponsored an ordinance authorizing and directing the Law Director to file the annexation petition for +/- 23.203 acres of City owned property with the Miami County Commissioners.

Clerk of Council Summary: This ordinance would authorize and direct the Law Director to file the necessary annexation petition documents with the Miami County Commission for the annexation of approximately ± 23.203 acres of City owned property on S.R. 571 adjacent to the Great Miami River.

City Manager Report: Mr. Collinsworth noted that the City purchased the 23.2 acres located on the north side of State Route 571 immediately east of and adjacent to Freeman's Prairie. The property was adjacent to the river and within the floodplain and lies within the City's wellfield protection area. In order to apply wellfield protection to the parcel, it must be annexed into the City.

Bulk Water Rates

Mrs. Blakey sponsored an ordinance amending Sections 51.17 of the Tipp City, Ohio Code of Ordinances to revise the periodic bulk water rates.

Clerk of Council Summary: This ordinance would adjust the rates charged for all bulk water sales in the City. The current rate has been unchanged for 29 years and does not cover the cost to purchase water from the new NAWA treatment plant.

City Manager Report: Mr. Collinsworth reported that the purpose of this ordinance was to adjust bulk water rates to correspond with the revised water rate schedule adopted in December of 2005.

Motions
Community
Reinvestment Area
Housing Council

President Beagle requested nominations for appointments to the Community Reinvestment Area Housing Council. President Beagle nominated Michael McFarland as the Planning Board Representative. Mrs. Blakey nominated David A. Collinsworth. Mr. Mains nominated Bradley C. Vath. There being no other nominations, President Beagle closed the nominations. A roll call vote was taken for each candidate. Michael McFarland, David A. Collinsworth, and Bradley C. Vath were appointed to the Community Reinvestment Area Housing Council for a three year term expiring December 31, 2009.

Main Street Banner
Request

Mrs. Blakey moved to approve a banner request submitted by Tipp City Junior Baseball to display a registration banner for a two week period to coincide with the approved 2007 Main Street Banner schedule, seconded by Mr. Ochs. The motion carried with a vote of 7-0.

Citizen Comments

Joseph Kourne of 1537 Beaver Creek Lane, Kettering, Ohio, encouraged citizens to buy American made products. He asked God to bring our troops home safe.

**Council Member
Comments**

Mr. Ochs noted that the MVRPC Board of Directors adopted a regional land use planning proposal. The proposal is a three phase, four year, undertaking to assess existing conditions of physical and nonphysical aspects of the Miami Valley area and develop options and different scenarios of development. The proposal would take into account any inventory of visions of communities and turn them into visual scenarios. MVRPC's intent would be to adopt a consensus of a vision for the Miami Valley and build a clear and shared regional land use framework. Mr. Ochs noted that the framework would not have any authority over land use but would be a recommendation based upon MVRPC's inventory of open space and various residential, commercial, and industrial aspects. MVRPC would fund this project through SAFETEA LU funds which is this year's federal transportation act and expect the program to cost up to one million dollars. He also noted that the FY2006-2009 Transportation Improvement Program was adopted and FY2008 Federal Transportation and Government Service earmarks were endorsed.

Mr. Hale asked Mr. Collinsworth to explain the process of adding a new committee to the yearly appointments, specifically the Downtown Partnership. Mr. Collinsworth stated that when the partnership becomes structured the appointment could be made at anytime by motion.

Mr. Hale asked Mr. Collinsworth to provide an update to Officer Rismiller's status. Mr. Collinsworth expected Officer Rismiller to return to light duty by the end of the month.

Mr. Hale thanked Mr. Vath for providing the Economic Development report. He encouraged the public to attend the NAWA dedication on January 28th.

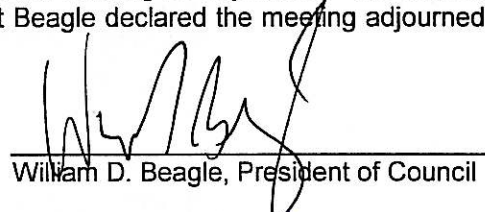
Mr. Evans announced that the Tipp City Chamber of Commerce and the Downtown Partnership would be hosting a Welcome Breakfast for Chamber President/Executive Downtown Coordinator Matt Owen on January 23rd.

**City Manger
Comments**

Mr. Collinsworth announced that NAWA's dedication ceremony would occur on Sunday, January 28th at 2:30 p.m. Reservations were required and could be made by contacting Kim Patterson at the Government Center. Prior to the next City Council meeting on February 5th a public meeting will be held at the Zion Lutheran Church from 6-7 p.m. to discuss the Historic Preservation Plan. Mr. Collinsworth acknowledged that City Council had been provided with the EMS Annual Report.


Adjourn

There being no further business, it was moved by Mr. Ochs, seconded by Mayor Lovett, that the meeting be adjourned. The motion unanimously carried. President Beagle declared the meeting adjourned at 8:43 p.m.



William D. Beagle, President of Council

Attest:



Misty Cheshire, Clerk of Council

TIPP CITY COUNCIL STUDY SESSION

TIPP CITY, MIAMI COUNTY, OHIO

JANUARY 16, 2007

Study Session

City Manager David A. Collinsworth opened the Study Session at 8:53 p.m. on this date.

Roll Call

Council Members in attendance included: President William D. Beagle, Vickie K. Blakey, Rick Mains, Jr., Tim Evans, Mayor George H. Lovett, Donald H. Ochs, and Patrick Hale.

Others in attendance included: Assistant City Manager Bradley C. Vath, Michael McFarland, Joe Bagi, City Engineer/Service Director Scott Vagedes, Finance Director Richard Drennen, *Independent Voice* reporter Matt Bayman, *Dayton Daily News* reporter Nancy Bowman, *Tipp Herald* reporter Mike Kelly, and Clerk of Council Misty Cheshire.

Discussion –
Fence Code
Modification

Mr. Vath noted that City Council had been provided with a draft ordinance that would amend the zoning code to better define fencing, hedges, and right-of-ways. The ordinance addressed vinyl coated chain link fencing and replacement policies as well as the placement and height of fences in relation to retaining walls.

May Ballot Issue

The next topic of discussion concerned placing an income tax rate increase on the May ballot. Mr. Collinsworth used the attached PowerPoint presentation to discuss current income tax rates, funding options for unfunded projects, income tax options, and revenue projections. Mr. Collinsworth proposed placing the issue on the May ballot and if it didn't pass, it could be placed on the November ballot later in the year. He noted that City Council elections would also be occurring in November.

Mr. Ochs added that the levy would not go into effect until January 2008 whether it passed in May or November. Mr. Ochs questioned if the City should earmark the funds for capital improvement projects.

Mr. Collinsworth stated that trends have shown that citizens are more likely to support a levy when they know exactly how their money will be used and by instituting a sunset provision citizens feel they have more control over their money requiring the City to be accountable.

Throughout the discussion, City Council discussed if the levy should be temporary or permanent; if temporary, should the levy be for five or ten years; and if the percentage of the rate increase should be .25% or more.

President Beagle, Mrs. Blakey, and Mr. Hale favored a permanent tax increase of .25%. They agreed that City Council needed to be responsible and solve the problem rather than creating a temporary fix. Passage of temporary levy would pass the burden of income tax renewals on to a future Council.

If a temporary levy was pursued, the majority of City Council agreed that a five year levy expiring at the same time as the Park Levy would not be in the City's best interest.

Mr. Ochs stated that the time to ask for a permanent levy would be when the State takes away the City's Local Government Funds or the kWh tax.

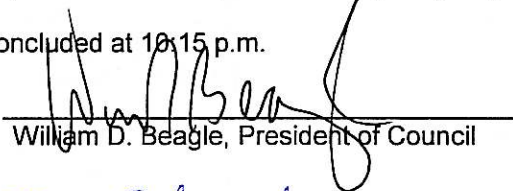
Mayor Lovett stated that voters should have the choice to renew levies and a temporary levy would require the City to re-justify the need for the tax and would force the City to use the money more effectively. Mayor Lovett noted that this levy would be on the heels of a recent property tax increase.

Mr. Evans suggested placing a .25%, permanent levy on the May ballot and if the voters didn't approve the May levy the City could come back in November with a .25%, 10 year levy.

Mr. Collinworth stated that legislation for a .25% permanent levy would be drafted for the next meeting. He noted the legislation could be amended should City Council elect to pursue a temporary levy.

Adjournment

The study session concluded at 10:15 p.m.


William D. Beagle, President of Council

Attest:


Misty Cheshire, Clerk of Council

May Ballot Issue: Revenue Options

City Council Study Session
January 16, 2007

Background

- 2007 Operating Budget Discussion
 - Growing list of "unfunded" capital projects
 - Cost of capital improvements growing faster than revenues; especially road projects
 - General Fund subsidy to Capital Improvement Fund impact on operating needs
- Council directs staff to develop revenue options for consideration

Current City Taxes

- Income Tax Rate = 1.25%
 - 0.8% = General Fund
 - 0.2% = Cap. Impr. Fund*
 - 0.25% = Park Levy Fund (app'd Nov. 2002, expires 12/31/02)
- *City income tax was raised from 0.7% to 1.0% in 1981 (last time tax rate was increased for operating exp.)
- Property Tax Rate = 1.4 mills
 - Part of 10 mill "inside" limit
 - No voted property millage
 - Current rate traced back to 1920's

Unmet Needs

- Capital Improvement Plan Unfunded Projects
 - Dow St. (Rhorer to Hyatt)
 - Dow St. (Hyatt to R/R)
 - S. Third Street
 - Maple Hill Bridge
 - Fire Dept. Ladder Truck Replace. Or Refurbish
 - Station improvements required to accommodate bigger equipment
- Interior Street Maintenance
 - Currently funded @ \$200k
 - Falling behind on resurfacing with cycle pushing 19-20 years instead of 13-15.
- Stormwater Projects – needs identified in stormwater study; no funding available within CIP

Funding Options

- Income Tax
 - 0.25% generates approx. \$800,000 annually
- Property Tax
 - Approx. 3.5 mills needed to generate \$800,000
- Stormwater Utility
 - Set at "typical" rates, can generate between \$200,000 and \$400,000

Income Tax Approaches

- Reduction in credit not recommended
 - Overwhelming majority of cities provide 100% credit for taxes paid to other cities
- Proposal should " earmark" funds for specific purpose
- Limit initial levy to five years ('08 – '12) to coincide with end of current Park Levy term

